



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

GENERAL LIBRARY

OF

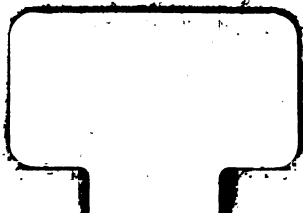
University of Michigan

Presented by

Henry Adams

July '97

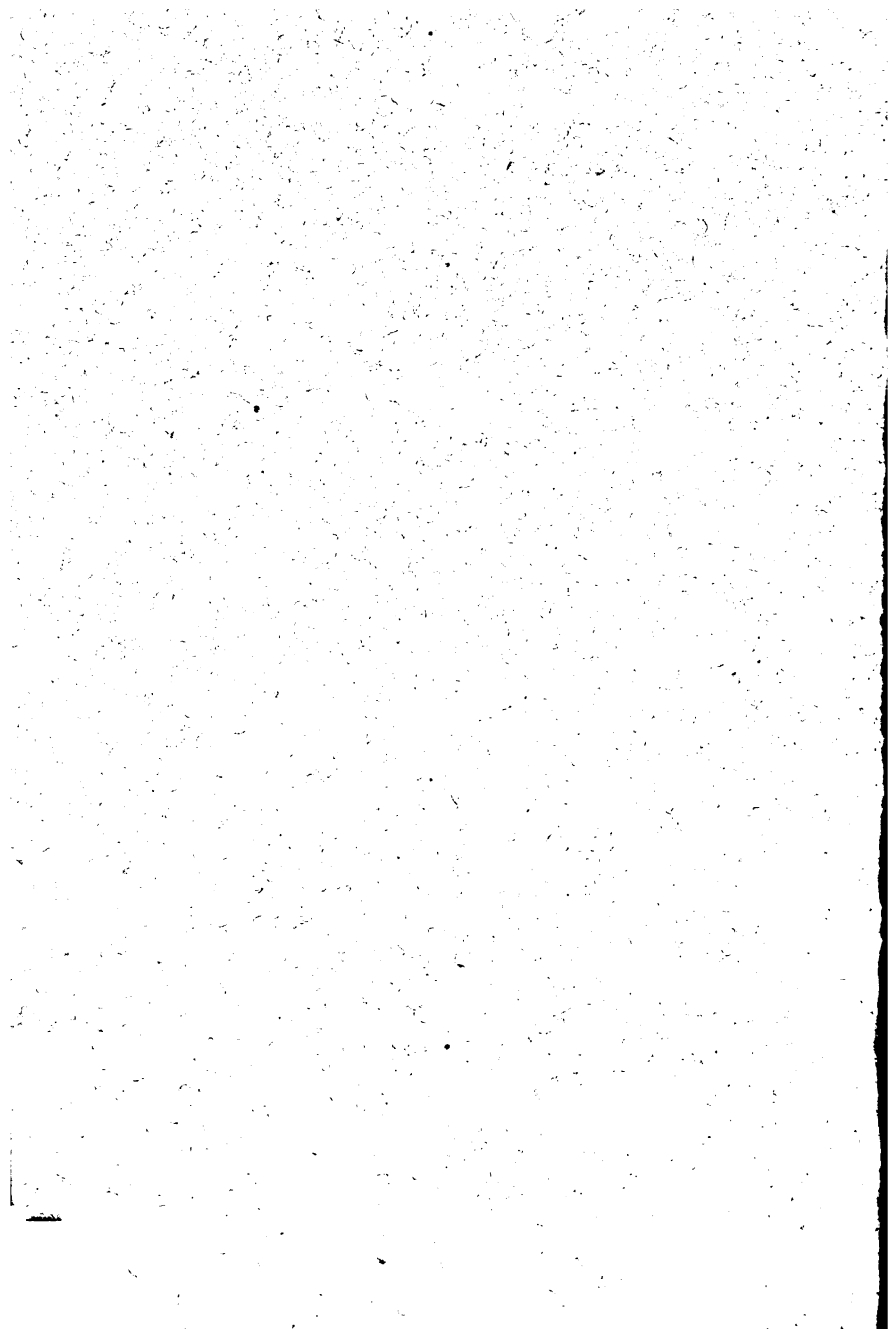
1900



HF

1755

M74



From Henry B. Adams, July 1897

213 Red

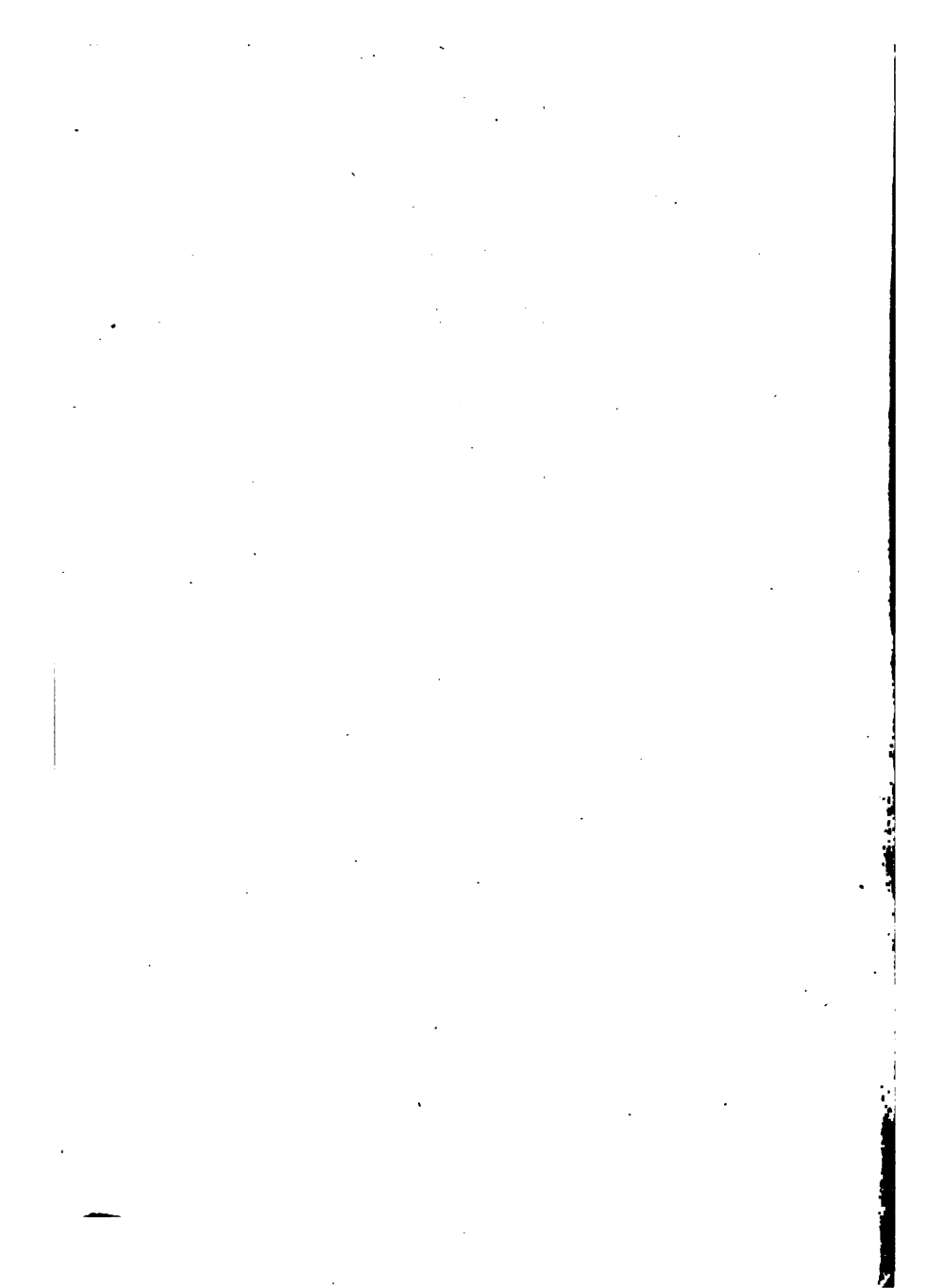
THE
WESTERN FARMER
OF
AMERICA.

BY
AUGUSTUS MONGREDIEN,
Author of "Free Trade and English Commerce."



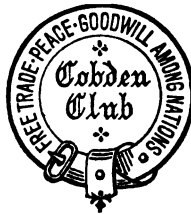
CASSELL, PETTER, GALPIN & CO.:
LONDON, PARIS & NEW YORK.

ALL RIGHTS RESERVED.



THE
WESTERN FARMER
106626
OF
AMERICA.

BY
AUGUSTUS MONGREDIEN,
Author of "Free Trade and English Commerce."



CASELL, PETTER, GALPIN & CO.:
LONDON, PARIS & NEW YORK.

1880.

THESE PAGES
Are respectfully Enscribed
TO
THE FARMERS OF AMERICA
BY THEIR
SINCERE FRIEND,
A. MONGREDIEN.

*Forest Hill, near London, England,
May 1880.*

THE
WESTERN FARMER OF AMERICA.

CHAPTER I.

INTRODUCTORY.

THE golden rule for successful trading is "to buy in the cheapest and sell in the dearest market." Strange to say, the American farmer* reverses this rule. He sells in the cheapest and buys in the dearest market. For what he raises he gets a lower price, and for what he consumes he pays a higher price, than the land-tillers get and pay in any other country in the world. This is a very singular state of things, and is well worth thorough examination.

While the Western farmer himself neither receives nor seeks any legislative "protection," he is compelled by law to supply his wants, not from the cheapest sources, but from certain privileged establishments to which he has to pay extravagant prices. While he requires no State subvention, because his occupation is of itself a profitable one, he is heavily taxed to support unprofitable manufactures in the Eastern States, and has to make good their losses out of his profits. That this is hard upon him everybody must admit, but no one can realise how really hard it is, or how vast a sum is year after year wrung from him in this way, without resorting to figures and setting it forth in

* The word "farmer" will be used throughout these pages as meaning the producer of all articles derived from the cultivation of the soil, whether grain or cotton, meat or tobacco, &c.

dollars and cents. This we shall proceed to do as accurately and as briefly as we can.

For this purpose let us inquire—

1. How much is actually taken yearly out of the pockets of the American farmers by compelling them to buy dear, instead of allowing them to buy cheap, goods.

2. What becomes of the enormous sum that is yearly drained from them in this way.

3. How this dreadful and wanton waste can be avoided.

CHAPTER II.

HOW MUCH IS ACTUALLY TAKEN (YEARLY) OUT OF THE POCKETS OF THE AMERICAN FARMERS BY COMPELLING THEM TO BUY DEAR, INSTEAD OF ALLOWING THEM TO BUY CHEAP, GOODS.

By the census of 1870 the population of the United States was found to be 38,600,000; and the number over ten years of age was 28,229,000. Of these, 12,506,000 were engaged in various kinds of occupations, the rest being women, young persons of both sexes, idlers, &c. What were the respective employments of these 12,506,000 workers? According to the census returns there were—

5,922,000	persons engaged in agriculture.
2,685,000	“ “ in professional and personal service.
1,191,000	“ “ in trade and transportation.
654,000	“ “ in mechanical trades and mining.
2,054,000	“ “ in manufactures.
<u>12,506,000</u>	

In round numbers, there were two millions of persons engaged in manufactures, and these were exclusively privileged to supply nearly all the physical wants (except food and lodging) of the other ten and a half millions of workers and their families.

As in these pages we only profess to represent the case of the American farmer, we must confine our attention to the six millions of persons and their families who are engaged in the cultivation of the soil. It is quite true that the remaining four and a half millions engaged in professions, in trading, in mining, and in personal service, are sufferers to

quite a proportionate extent, but they do not come within the scope of the present inquiry.

Now let us see what is the actual amount which the farmers (that is, soil-workers generally) spend yearly on the goods produced by the manufacturers.

In the first place, the six millions of agriculturists of 1870 must by this time have increased to at least 7,500,000, as will no doubt be seen by this year's census. To be within the mark we will call them 7,000,000, nearly all of them having wives and children. Now, what is the average annual expenditure on all articles of consumption, except food and drink, of each of these families? On careful investigation, and consultation with conscientious inquirers and with persons most competent to judge, we feel confident that we are within the mark in computing such annual expenditure at 200 dollars per family, including within that average the small minority of unmarried men among the 7,000,000 agriculturists. It must be borne in mind that this amount includes:—1. Woollen, cotton, linen, and silken fabrics, and, therefore, every species of clothing for male and female, as also sheets, curtains, blankets, carpets, &c. 2. Iron and steel manufactures, and therefore all iron-work, wire, cutlery, tools, farming implements, farriery, agricultural machinery, as well as railway conveyance on iron, which cost very much more than it would have cost had it been imported from abroad. 3. Leathern fabrics, and therefore boots and shoes, saddlery, gloves, &c. 4. Earthenware and crockery, tinware and glass, and numberless other household necessaries, all of which come under the price-inflating influence of the Customs tariff. It is on these objects that the greater portion of the agriculturist's outgoings is expended, for he is but at little expense for his food. Moreover, this yearly average of 200 dollars per family comprises a large number of rich and well-to-do persons, and it may safely be assumed as rather under than over the reality.

Having now cleared the way thus far, it is easy to calculate the total sum annually spent on manufactured goods by

the farmers and agriculturists generally of the great Central and Western States. The amount being 200 dollars to 7,000,000 families, is, therefore, 1,400,000,000 dollars in the aggregate.

The next step is to ascertain what portion of that amount the Western farmers would save if, by the abolition of import duties, they were left free to supply their wants from the cheapest market, wherever that might be, whether in America or in Europe, whether in New England or in Old England. This question is easily solved, as, fortunately, we have the guidance of positive facts supplied by the official returns of the United States Government. From these we learn that prices are so high in America and so low in Europe, that, in spite of the enormous duties levied on them, considerable quantities of European goods are imported into the United States, where they must, of course, leave a profit to the senders, or they would not be sent. Let us enumerate some of the leading articles imported in the year 1878, stating their amounts and the rate per cent. of duties which they had to pay :—

Articles Imported.	Amount in Dollars.	<i>Ad valorem</i> Import Duties paid on them, according to sorts.
Woollen Manufactures	\$24,604,000	54, 57, 66, 70, and 77 per cent.
Cotton	15,458,000	35, 45, 57, and 63 per cent.
Linen	14,384,000	30, 35, and 40 per cent.
Silk	20,103,000	50 and 60 per cent.
Iron and Steel	6,554,000	30, 35, 45, 48, and 50 per cent.
Leather	6,906,000	20, 25, 35, and 50 per cent.
Earthenware and Crockery ...	3,978,000	40 and 45 per cent.
Tin Plates and Ware	9,874,000	27 per cent.
Hemp and Jute Fabrics	1,005,000	40 per cent.
Window Glass ...	675,000	68 and 72 per cent.
	<u>\$ 103,541,000</u>	

What do these figures mean? They mean that the prices



which the Western farmers (and the American people generally) now pay for their woollen cloths and stuffs are so excessive that the British woollen manufacturers can afford to pay from 54 to 77 per cent. import duties for the admission of their goods into the States, and still get a profit. That is to say, that (taking the average duty at 66 per cent.) the Western farmer could, if he were allowed to buy where he could buy cheapest, get the same quantity and quality of woollen and worsted stuffs for 12 dollars for which he now has to pay 20. Eight dollars out of twenty thrown away!

They mean that the prices which the Western farmers now pay for their cotton and linen goods are so excessive that the British makers of the same goods can afford to pay from 30 to 63 per cent. import duties for the admission of their manufactures into the States, and still get a profit. That is to say, that (taking the average duty at 50 per cent.) the farmer's wife could, if she were allowed to buy where she could buy cheapest, get the same articles for 6 dollars for which she now has to pay 9. Three dollars out of nine thrown away!

They mean that the American railways are constructed of iron which costs so dear that the British makers can afford to pay 30 to 50 per cent. import duties for the admission of their goods into the States, and still get a profit; so that the railway companies are compelled to charge the Western farmer a proportionately excessive rate for the conveyance of his produce to a market. The burden of the difference, of course, falls on the patient back of the Western farmer!

Those figures mean, in short, that the same enormous artificial inflation of natural prices runs through every article (except food) with which the farmer has to provide his family.

The American has extraordinary advantages over the British farmer. He has, first, a soil so fertile as to produce freely with cheap tillage and no manure; second, a climate highly favourable to agricultural operations; third, abundance of land so cheap that the fee-simple costs less than is annu-

ally paid for rent in England. But, on the other hand, the British farmer enjoys for the present one decided advantage: he sells his produce in the dearest, and buys his clothing, implements, &c. &c., in the cheapest market in the world.

Let us, however, continue our inquiry as to the total annual amount taken out of the pockets of the Western farmers by exorbitant protective duties. These duties have a very wide range. They are as low as 10 per cent. on diamonds which the Western farmer does not use, and as high as 93 per cent. on cleaned rice which he does use. They are levied on no less than 1,600 different articles, some of them yielding less revenue than it costs to collect it, and the whole producing a complexity which gives comfortable employment to swarms of clerks, &c., at every seaport. The heaviest per-centage rates are those imposed on articles of general and necessary consumption by the people, which accordingly contribute very nearly three-fourths of the total amount collected. But let us strike an average. By a careful comparison of the total value of the chief dutiable foreign articles imported in the year 1878, with the total amount of duties levied in that year on the same articles, it has been clearly ascertained that the average rate of duties paid on their value was $42\frac{3}{4}$ per cent. Were the average confined to the articles named in the table at p. 9, it would no doubt much exceed $42\frac{3}{4}$ per cent., but, to be within the mark, we will adopt the general average. This average then ($42\frac{3}{4}$ per cent.), is the measure of the difference between the prices which the Western farmers now pay for what they consume, and those which they would pay were foreign articles admitted duty free. The prices which the manufacturers in the Eastern States make the American people pay for their goods are not, and cannot be, less, but are, and must be, something more than $42\frac{3}{4}$ per cent. in addition to British prices, or else how could the Britisher pay an average of $42\frac{3}{4}$ per cent. duties, and still make a profit on what he sends to America? If the prices paid by the Western farmer to the manufacturers of the Eastern States only exceeded British prices by, say 25 per cent., no

British goods, having to pay $42\frac{3}{4}$ per cent. import duties, could possibly be sent to the United States. The very fact of large imports being poured in, year after year (as shown in table at p. 9, for 1878), in spite of the $42\frac{3}{4}$ per cent. duty for admission, makes it clear that the prices in America must be at least 50 per cent. in excess of those current in England, or else those sendings would leave a loss, and would be discontinued. Those importations, be it noted, are not fitful or intermittent, but are, though fluctuating in amount, constant in their recurrence. The continuous overflow, however slight, of a tank is clear evidence of its being full; and, in the same way, the continuous importation of goods burdened with a $42\frac{3}{4}$ per cent. duty is clear evidence that the ordinary prices of such goods in the importing country must keep sufficiently high to make such importations profitable.

However, to err on the side of caution, we will, instead of 50 per cent. or $42\frac{3}{4}$ per cent., take 40 per cent. as the overcharge which the Western farmers have to pay for the goods which they require to supply their wants. Now, we have shown at p. 9 that their annual expenditure on the supply of those wants amounts in the aggregate to 1,400,000,000 dollars. Let us see what proportion of that sum is unnecessarily squandered. If the American farmers were allowed to buy, as they could buy, for 100 dollars what they are now compelled to pay 140 dollars for, it is clear that they could buy for 1,000 million dollars what they now pay 1,400 million dollars for, and consequently they would save 400,000,000 dollars every year. In other words, by being left free to buy where they could buy cheapest, they would benefit to the extent of 400 million of dollars, which they now lose by the operation of the protective duties.

Truly a startling sum! A stupendous sum! That such a pile of wealth should year after year be unnecessarily and wantonly flung away and wasted seems utterly incredible, and yet it is literally true. "What!" we can imagine a Western farmer exclaiming, "do you mean to say

that we farmers, our class alone, are every year, out of our hard earnings, needlessly and heedlessly throwing away 400 millions of dollars, and that we could, if we would, save in our yearly expenses a sum large enough to defray the whole of the national expenditure nearly twice over?" "Yes, sir," we reply, "it is a fact. We have clearly shown that the same articles of consumption that you could get from the Britisher for 100 dollars, you have now to pay 140 for. Now, if you, one with the other, rich and poor, spend 200 dollars a year on such articles, the common rule of three shows that but for your heavy Customs duties you need only spend 143 dollars for the same things instead of 200, and that, while living just as comfortably, you would on an average save fifty-seven dollars a year. Now, as there are 7,000,000 of you agriculturists, multiply that number by the fifty-seven dollars which each would save, and you will find it comes to 400,000,000 dollars. The fact is, that you never realised the amount of your loss—never put it into figures. It is so mingled up in small doses with your daily spendings that, though enormous in the gross, it does not strike you in the detail. You go on paying thirty cents for a knife instead of twenty; or fifty cents for a piece of canvas instead of thirty; or ten dollars for woollen clothing instead of six; or your wife buys a printed calico gown for three dollars instead of two, and so on throughout the whole range of your requirements; but you do not stay to inquire how much you are overcharged at each step. Now, this has been calculated for you. For every seven dollars which you now spend you ought only to spend five; the other two dollars are simply thrown away in consequence of your import duties."

It has been said the American farmers actually prefer paying seven dollars to the Eastern States manufacturers to paying five dollars for the same thing to the Britisher, especially as the extra two dollars do not go out of the country. Well, if the two dollars do not go into another country, they at all events go into another pocket, and surely the farmers can hardly be persuaded that it is the same thing

to them whether they pay seven dollars to a man in Massachusetts, or five dollars for the same article to a man in Lancashire. We believe, on the contrary, that the hard-working Western farmer prefers getting as much as he can for his money. But if we are wrong, and if it be really true that the farmers are content, knowingly and voluntarily, to pay out of their pockets a yearly contribution of 400,000,000 dollars as a free gift to the Eastern States manufacturers, to enable them to carry on a losing business, which, without that assistance, would have to be given up, we can only admire and wonder. And we wonder all the more as this immense sacrifice is made in vain, and is of very little or no benefit to any one. This we shall show in the next chapter, when we examine what becomes of the 400,000,000 dollars which the farmers lose.

At all events the farmers ought surely to have a voice in the question, whether they really do (as it is stated they do) prefer losing, or whether they really prefer saving, the \$400,000,000.

Again, it is said that the American farmers have flourished and prospered; that they have profitably extended, and are still extending, their operations, and that therefore they cannot have suffered the yearly loss alleged. That does not at all follow. No one contends that an average loss of \$57 per annum sustained by each agriculturist could turn the scale and make farming a losing business. It does not destroy the farmer, but it sweeps away so much of his profits. By the census of 1870, the total value of (cereal) farm productions amounted to \$2,448,000,000. Out of this farmers could afford to throw away a certain portion, and still thrive and make money. But that is no reason why they should persist in throwing that portion away. A man with an income of \$2,500 may live on \$1,000, muddle away \$500 on rotten speculations, and still lay by \$1,000 a year, but he would certainly be richer if he did not muddle away the \$500. A waste of \$57 a year multiplied 7,000,000 times does none the less amount to \$400,000,000 in the aggregate.

Again, it is said that the prices of some of the Eastern

States manufactures are not so much higher than those of the foreigner as we make out. But, if so, why keep up such heavy import duties? And again, if so, how is it that, in spite of those heavy duties, foreign goods can still afford (see p. 9) to come in? The Western farmer might say, "Come, I do not mind paying 10 per cent. dearer to you than to the foreigner. Reduce the import duties therefore from an average of $42\frac{1}{2}$ per cent. to 10 per cent. If your prices are, as you say, moderate, surely, with a bonus of 10 per cent., besides freight and charges, you can withstand foreign competition! But if not, and if the condition of your existence as manufacturers is an import duty of $42\frac{1}{2}$ per cent., which means that we farmers, as a class, are to subscribe out of our earnings \$400,000,000 a year to keep you gentlemen of the East pegging away at a losing business, we protest against it. It is paying far too dear 'for a whistle.' We will withdraw from a game in which we are to find the stakes (and heavy ones too) for others to win, and we will go in for buying where we can buy cheapest."

It should further be observed that the more freight the Western farmer has to pay to get his produce delivered into the European markets, the smaller the net residue that comes to him; for the European buyers' prices include freight. Cheap freights from America to Europe, therefore, mean large profits to the farmer, and dear freights small profits. But as the enormous American import duties prevent heavy and bulky goods, such as iron, coal, &c., from being freely sent from Europe to the United States, and as ships must make a certain amount of freight on the round or cease running, what happens? They make up for getting little or no freight from Europe to America, by charging nearly double freight on the cotton, grain, and other farmer's produce which they convey from America to Europe. This surcharge of freight from, to compensate for the absence of freight to, American ports, amounts in the aggregate to a very large sum, which comes out of the pocket of the Western farmers, and constitutes another heavy burden inflicted on them by the present oppressive tariff.

But the mischief done to the American farmers by heavy import duties is not confined to the immense direct losses inflicted on them. Their interests are also vitally injured in another way. The very essence of their prosperity depends upon their having large and increasing outlets abroad for the large and increasing amount of their produce. They grow far more grain, meat, cotton, &c., than their own country can consume, and must look to their foreign customers to take off the surplus. But the protective duties step in to thwart, cripple, and restrict the farmers' dealings with their foreign customers. How are the farmers to export if the manufacturers will not allow of imports? "What is the foreigner to pay you in," we would say to the farmers, "if you refuse to take his goods? Will it be in gold and silver? No such thing. It is now well established and universally admitted that debts between nation and nation are not paid in specie (beyond the merest fraction), but in commodities, and that all commerce is substantially barter. If you will only take from the foreigner such of his goods as he can make a profit on after paying $42\frac{1}{2}$ per cent. import duty, you limit his power of buying from you, and consequently your own power of selling to him. It becomes a necessary condition of your dealing with him that you should get so low a price for your produce and give him so high a price for his goods, that the margin shall make up for the $42\frac{1}{2}$ per cent. import duties. These, therefore, cut against you both ways. Not only you pay more for what you consume, but you get less for what you produce. You may not feel the pinch so much just now, but average harvests in Europe would make it absolutely necessary for the United States to secure free sales by making free purchases. If you aspire to feed the world you must take in payment what the world can give you."

Let us now look at another branch of the subject.

CHAPTER II.

WHAT BECOMES OF THE \$400,000,000 YEARLY TAKEN OUT OF THE POCKETS OF THE AMERICAN FARMERS?

THE amount of Customs revenue which the United States Government derived in 1878 from duties on foreign goods imported was \$130,000,000. To this amount, the agriculturist, being rather less than half of the total population of the country, contributed about \$60,000,000. This was, therefore, the proportion of the \$400,000,000 overcharged to the American farmers on their annual expenditure, that went to the legitimate purpose of national revenue; and, so far, \$60,000,000 of the total is satisfactorily accounted for. But what of the remaining \$340,000,000? Who are the lucky men whom this mighty sum, drained year after year out of the farmer's earnings, goes to enrich? Strange and incredible as it may appear, careful examination and analysis will show that all this money has been, and is being, absolutely wasted, squandered, and spent as uselessly as it would be in hiring an army of men to dig holes and fill them up again. It has neither enriched nor even benefited anybody. While it has to that extent impoverished the farmers, it has only served to fill up the gap and make good the losses occasioned by the misapplication of capital and labour in the Eastern States to the wrong kinds of production.

Let us trace where these \$340,000,000 go. They form the extra sum paid annually to the manufacturers of the Eastern States over and above what the farmers would have had to pay for the same articles were they allowed to make their purchases from abroad. If the Eastern manufacturers were able to produce their goods as cheaply as

the foreigner, all that money would be saved to the farmers; but as they cannot, the farmers are made to pay the difference. Nothing whatever is got by anybody in return for those \$340,000,000; and that sum is simply thrown away and sacrificed to make up for the want of skill, or of capital, or of whatever else it may be, by reason of which the Eastern manufacturer makes no more profit by selling an article at \$140 than the Britisher does by selling the same article at \$100. If, indeed, the Eastern manufacturer could produce the article for \$100, and if he did get \$140 for it, he would be benefited and enriched; and it might be some consolation to the farmers for their loss of \$340,000,000 a year that it went to form large accumulations of wealth in the pockets of their fellow-citizens in the Eastern States. But this consolation does not exist, and we shall presently show that, in spite of the enormous sum overcharged to the farmers, the profits of the Eastern manufacturer are precarious, fluctuating, and by no means above the average of other occupations. His charge of \$140 for what the Britisher can afford to sell for \$100, only leaves him a bare living profit, because it costs him \$40 more to produce the article than it costs the Britisher. Why this should be the case we cannot here stay to inquire, but such is the fact. Indeed, how else could British goods be largely imported into the States in spite of the 42½ per cent. import duties which they have to pay?

It is these \$40 uselessly spent out of 140, which, added up, form the \$340,000,000 which the farmers of America are called upon to throw away every year without any benefit to themselves or to anybody else. It is sheer waste; just as it is sheer waste to pay one man exorbitantly for doing the same work (no more and no better) which another man, more expert, will do cheaply;—just as it would be sheer waste to go on thrashing with a flail instead of using a machine, merely because the man with the flail was a neighbour, and the machine-maker was a stranger. We can fancy a shrewd Western farmer saying, "A man down East makes an article which he can't afford to sell me

under \$140, while a man over the water offers me the same article for \$100. I want to deal with the latter, but to prevent that, they clap \$40 duty on to the 100, and then tell me that, as now, in either case, I shall have to pay \$140 for the article, I may as well buy of the man down East, because he's a kind of brother, whereas, the man over the water is only a cousin. All I see in it is, that I am done out of \$40."

That the Eastern manufacturers only make the average profit, and their men the average wages, of other occupations, is the necessary result of internal competition. No trade can for any length of time maintain higher rates of profit or of wages than the average, because people soon flock from other trades into that, and thus they all settle down to about the same level. There does, indeed, at intervals occur a sudden spurt of demand, causing for a brief period high prices, high profits, and high wages, but these bright, short flashes of prosperity cost the manufacturers and their men very dear. Fresh capital and fresh labour are thereby freely enticed into the trade, and when the spurt is over, there is not sufficient vent for the increased supply. The result is, ruin to many, loss to all. Such a spurt occurred in 1872-3. In 1874 the reaction came, and there followed five years of commercial depression and suffering. An immense body of American workmen were thrown out of employ, and in the course of those five years (mostly in 1877 and 1878) upwards of 600,000 persons left the East to seek a living in the West. During those five years a large number of industrial establishments closed their doors, and in the iron trade alone 250 blast furnaces were blown out, and 60 to 70 rolling mills ceased work. In the six years 1873 to 1878, the average number of commercial failures in the United States per year was 7,866, against an average of 2,889 the previous seven years. In short, those five years were the worst that American commerce had ever experienced. Yet during all that time the farmers were yearly disbursing \$340,000,000 to support the manufacturers. So far, however, from enriching them, this large sum was

engulfed in their losses, and was squandered in vain. It is abundantly clear that, as we said at p. 19, "the profits of the Eastern manufacturers are precarious, fluctuating, and by no means above the average of other occupations."

Just now (1880), the iron manufacturers are enjoying another temporary spurt, owing to the wealth created by the farmers and the consequent necessity for more railways; and this leads to another question of vast importance to the farmers. At what cost are those new railways to be constructed? Is the farmer's produce to be conveyed to the sea-board on cheap rails at a fair rate, or on dear rails at an exorbitant rate? Are the railway-makers to pay Pennsylvanian prices or British prices for their rails? If the former, the cost of the required iron and steel will be nearly twice as much as if the latter.* Now, as the rates of freight must be in proportion, every one who may use the railways about to be constructed will have to pay high fares and freights for ever, because the legislature interdicts cheap iron and artificially makes it dear! Surely this would be an enormous evil, and all the less excusable as it could so easily be avoided!

At first glance it appears almost impossible that so vast a sum as \$340,000,000 should be lost in the mere diversity of value between what two different sets of men in two different countries can produce by the application of the same amount of capital and labour. And yet the explanation, when sought for, is soon found. To take a man away from what he can do well, and set him to do what he can only do badly makes an immense difference in the result of his labour. A baker would earn poor wages indeed as a tailor; and a clever carpenter would starve on his performances as a watchmaker. A Western farmer produces excellent and cheap crops, but if he were to set up as a woollen manufacturer he would soon come to grief (unless indeed his neighbours subscribed handsomely to make good his losses and bolster him up). The difference between what men produce who are expert and what men

* The import duty on steel at this time amounts to 120 per cent.

produce who are inexpert; constitutes a very large percentage on their production, and a large percentage on the total production of the world means a sum to which \$340,000,000 is a trifle. As things are, to take the world at large, the human race do not produce perhaps the hundredth part of what they might produce if their labour were properly and intelligently applied. The greatest creator of wealth at the smallest cost is division of labour, and whatever interferes with it is an obstruction to human productiveness. Every man ought to be allowed to do the work which early education, long experience, natural aptitude, peculiarity of position, or other circumstances enable him to do best; and that legislature is sadly mischievous which shunts him off from the right on to the wrong line, and compels him to lay aside the work which he can do well and take to that which others can do better.

It may perhaps be asked, "How are the Eastern manufacturers, and the workmen they employ, to live if the farmers withdraw the yearly subsidy which is their only support?" The answer is easy. The increased imports which the abolition of Customs duties would bring about would necessitate increased exports to the same amount to pay for them; for there can be no additional import without a corresponding additional export. There would arise a brisk demand for fresh capital and labour to produce those increased exports, and that demand would absorb whatever capital and labour might be set free by the diminished consumption of the Eastern States manufactures. It is quite an exploded notion that if you import what you made before, workmen are thrown out of work. It is not so; they are merely thrown on to other work to supply the articles that will be exported to pay for the new imports. The same amount of American capital and labour would be employed as before, with this difference, that then, their operations would be remunerative, whereas before, they were not. No doubt this transference of capital and labour from one kind of business to another is attended with temporary inconvenience and delay to the parties interfered

with, but not more than was the introduction of steamboats, railways, electric telegraphs, and other improvements; which largely benefited the many, while they were, for a time, displeasing to a few. Indeed, it would not be long before the owners both of the displaced capital and of the displaced labour would feel and recognise the advantage of being engaged in industries which were self-supporting, instead of industries which were dependent for their very existence on a national subvention revocable at any moment at the will of the people.

The manufacturers of the Eastern States "object to their trades being called losing trades, because they and their workmen live out of them." But they do not live out of them! They mostly live out of the \$340,000,000 which the farmers yearly pay to those trades over and above what they need pay if they dealt with others. They live out of that, and of as much more paid to them in the same way by the rest of the American people. We believe that many trades would thrive better unassisted, but by clinging to Protection they proclaim their dependence on it. Were it otherwise, why keep up such heavy import duties, and how is it that, in spite of those heavy duties, foreign goods can still afford to come in? Surely those must be "losing trades" in which \$140 worth of capital and labour are spent to produce \$100 worth of goods. Such trades depend for their maintenance, not on their own merit, but on other people's help. They are private establishments supported by public involuntary contributions.

We feel sure, however, that the manufacturers of the Eastern States underrate their own strength, and that they would soon walk alone, if they were deprived of the go-cart of Protection. Under the wholesome stimulus of open competition, the energy, activity, and shrewdness of their race would rapidly enable them to recover the ground they had lost under the enervating influence of the coddling system. We would venture to say to them, "Why, gentlemen, should you not, with raw cotton at your doors, compete with the Britisher, to whom it goes across the ocean? Yet whereas

in 1860 your export of cotton manufactures was \$11,000,000, it was only \$11,500,000 in 1878, a paltry increase of \$500,000 in eighteen years! In England the increase within the same period was \$60,000,000. There is no doubt that had you been left unencumbered by the fatal boon of Protection you would have made infinitely greater progress, and you might by this time have proved formidable rivals to the Britisher in neutral markets. Again, in the three years 1866 to 1868, agricultural exports formed 74 per cent., and manufacturing and other exports 26 per cent. of the total exports. In the three years 1876 to 1878 the agricultural exports formed 80 per cent., and the manufacturing and other exports only 20 per cent. of the totality. No doubt that, but for the fatal boon of Protection, you would not have lagged behind in the race, and that your relative proportion of exports would have shown an increase instead of a diminution. Again, in spite of the vast expansion of the world's commerce, the tonnage of the United States mercantile navy is actually less now than it was twenty years ago. From 1855 to 1863 it was upwards of 5,000,000 tons; from 1874 to 1878 it was little more than 4,000,000. English tonnage in 1861 was 4,350,000 tons; in 1877 it was 6,115,000. Within the last twenty years English tonnage has increased by 2,000,000 tons, while yours has diminished by 1,000,000. Formerly your mercantile navy shared the carrying trade of the world with England; now, not only that is lost, but your own produce is carried away from your own ports in foreign bottoms. Is it that the American of to-day has degenerated in energy, skill, or enterprise? Not a bit of it. But here also Protection has shed its baneful influence. Iron has superseded wood in the construction of large ships, and your tariff makes iron nearly twice as costly to the American shipbuilder as it is to his British rival. Abolish your import duties, and you will speedily see your mercantile marine restored to its former splendour."

To sum up, the vast amount yearly wrested out of the earnings of the American farmers is simply a useless and wanton waste. It makes them by so much the poorer,

without making others one whit the richer. Moreover, it must be borne in mind that we have in these pages only calculated that share of the general loss which accrues to the agriculturists. These barely form half of the total population of the United States, and the other half suffers a fully proportionate loss on their yearly expenditure, from the same causes and with the same results. What steps should be taken to put a stop to these extravagant and unjustifiable losses shall be examined in the next chapter.

CHAPTER IV.

HOW TO PUT A STOP TO THE INTOLERABLE LOSSES WHICH ARE YEAR AFTER YEAR INFLICTED ON THE FARMERS OF AMERICA.

FORTUNATELY, great as is the grievance, its removal is easy. The remedy is in the farmer's own hands. It lies in the exercise of his voting power. It is simply this: let the American farmers give their support to no candidate for a seat in the House of Representatives who does not pledge himself, if elected, to propose, or at least to vote for, "*a reduction of 5 per cent. every successive year on the import duties, till the whole are abolished.*" Never mind what party he may belong to. The relief of the farmers from an intolerable burden is not, cannot be, and must not be, a party question. It is a paramount and inevitable measure which comes before, overrides, and casts into the shade all party distinctions. To refuse the abolition of the tariff is to refuse justice to the agriculturists. It amounts to a persistence in the iniquity of confiscating the farmer's property. Up with the tariff means down with the farmer!

If it be said that abrogation of the tariff would suppress one of the sources of State revenue, the Western farmer's ready reply would be, "Out of the \$400,000,000 yearly taken from us, only \$60,000,000 go to the revenue. There are plenty of ways of raising \$60,000,000 of revenue without resorting to the clumsy, wasteful, roundabout process of inflicting on us a loss of \$400,000,000 to enable the State to get \$60,000,000. You might as well say that there is no other way of roasting a pig than by burning down the house. We shall be all the better able to pay the taxes necessary to replace the import duties if our earnings are left with us intact."

The farmers, by insisting on justice being done to themselves, are at the same time fighting the battle of the American community at large. All are sufferers from the same fiscal absurdity, and all ought to join the farmers, heart and hand, in enforcing the redress of a common grievance.

Every farmer should hold this language to the candidates: "I will only vote for you if you will vote for me; and voting for me means voting in the House for *A reduction of five per cent. every successive year on the import duties till the whole are abolished.*" If this were done pretty generally, the tariff, in its present shape, would not survive the first sitting of Congress. The voting power of the farmers is overwhelming, and will further increase after the next census. They hardly know their own strength. They are the backbone of the great American Republic. They own most of its soil, they have created most of its wealth, and they form the most numerous and influential body among its population. The exercise of their voting power would forcibly influence the commercial policy of the government, and if they choose to exercise it, an end will be put for ever to the yearly exactions from which they are now suffering. In other words, they have but to signify unmistakably by their votes that they wish to be freed from the unjust burdens laid upon them by heavy import duties, and those duties will speedily cease to exist. Is it possible to imagine that they should feel the evil, know the remedy, and hesitate to apply it?

It is doubtless true that many, perhaps most, of the American farmers are unaware of, or have given little attention to, the facts set forth in these pages, and hence their silent endurance. But if every farmer who reads this, and concurs in our views, would order from the nearest town ten or twenty copies of this little paper, and would distribute them by hand among his neighbours, or by post among his friends at a distance, a spirit of inquiry would rapidly be roused, and a definite expression of public opinion would soon be elicited. By such means each man would con-

tribute to the good work, and, with little trouble and little expense, the exact state of the case might be laid before every farmer in the Union. It would be for him, after obtaining a knowledge of facts so interesting to his class, to decide whether he would continue to endure the grievance or insist on its removal.

Meanwhile, all honour, Western farmers of America, to the brave and blessed work which your indomitable energy and brawny arms are accomplishing! While in Europe millions of able-bodied men are dragged from the plough and the loom to be trained to bloodshed and destruction, you are pursuing your beneficent conquests over nature, and converting barren wastes into orchards and cornfields. Surely the least that you can demand in return is that your earnings should not be wrung from you by unjust laws, and that you should be allowed to enjoy undividedly the fruits of your unremitting toil.

IT IS FOR YOU TO DECIDE, AND TO ENFORCE YOUR DECISION.

APPENDIX.

IN order to ensure all possible accuracy in the estimate of the yearly expenditure of the American farmers and their families, the writer printed and distributed among those persons whom he deemed most competent to judge, fifty copies of the following memorandum :—

“ESTIMATE OF EXPENDITURE IN AMERICA.

“It would greatly assist the undersigned in the completion of a little work on which he is engaged, if you would kindly give him the best estimate in your power in relation to the following subject.

“By the census of 1870 there were in the United States of America, out of a population of 38,600,000, a total of 12,506,000 persons engaged in various occupations. Of these 5,922,000 were engaged in agriculture, which number has by this time (1880) increased to at least 7,000,000.

“*An estimate is wanted* of the average annual expenditure of each of these 7,000,000 persons (most of whom have families) on all articles of consumption, except eatables and drinkables. Those articles would comprise every description of clothing, household ware, tools, agricultural implements, railway conveyance, &c. &c.

“Of course, strict accuracy is unattainable, and all calculations must necessarily be conjectural and approximative.

“It may be noted—

- “1. That by ‘agriculturists’ are meant, not only the cereal farmers, but the producers of all articles

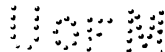
- derived from the soil, whether grain or cotton, meat or tobacco, &c. &c.
- "2. That there are in the United States 2,600,000 farmers, who, most of them, own the soil which they till, and whose annual expenditure must be considerable.
- "3. That the wages of farm labourers in the North and West, range (see an article in the *Times* of 26th August, 1879) from \$19 69c. monthly (\$236 per annum) to \$38 22c. monthly (\$458 per annum). In the South, under the competition of negro labour, wages are only \$15 monthly (\$180 per annum).
- "4. That, as food and lodging cost the farmers and labourers but little, most of their expenditure falls on the articles of consumption comprised in this inquiry. The question therefore is, 'What is the average yearly expenditure, on such articles, of each of those 7,000,000 persons in the United States of America, who are engaged in agricultural pursuits, some of whom are single, but most of whom have families?' It will be esteemed a favour if you will address a communication at your earliest convenience to

"A. MONGREDIEN,

"*Author of 'Free Trade and English Commerce.'*

"FOREST HILL, near LONDON.
"8th March, 1880."

The answers received (and they were not many) ranged from \$150 per annum up to \$5 per week (\$260 per annum). In the work we have taken \$200 as a fair mean. But, even upon the lowest estimate, the sum is so vast, that it really matters very little which valuation is adopted. If any reader thinks that \$200 per annum is too high an estimate, let him boldly strike off 25 per cent., and



the balance will still be found amply large enough to justify all our conclusions.

For our American statistics we are chiefly indebted to that valuable compilation, "The American Almanack for 1879," by Mr. A. R. Spofford, to which we beg to refer those who may doubt the accuracy of our figures.

